



**Ministry of Health Malaysia**

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# **Pharmaceuticals As a Key Element in Universal Health Coverage**

**For**

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# OUTLINE

- Introduction
- Focus Areas for UHC
- Requirements for pharmaceuticals in UHC
- Challenges & strategies related to pharmaceuticals in UHC
- Way Forward
- Take Away Message

# UNIVERSAL HEALTH COVERAGE (UHC)

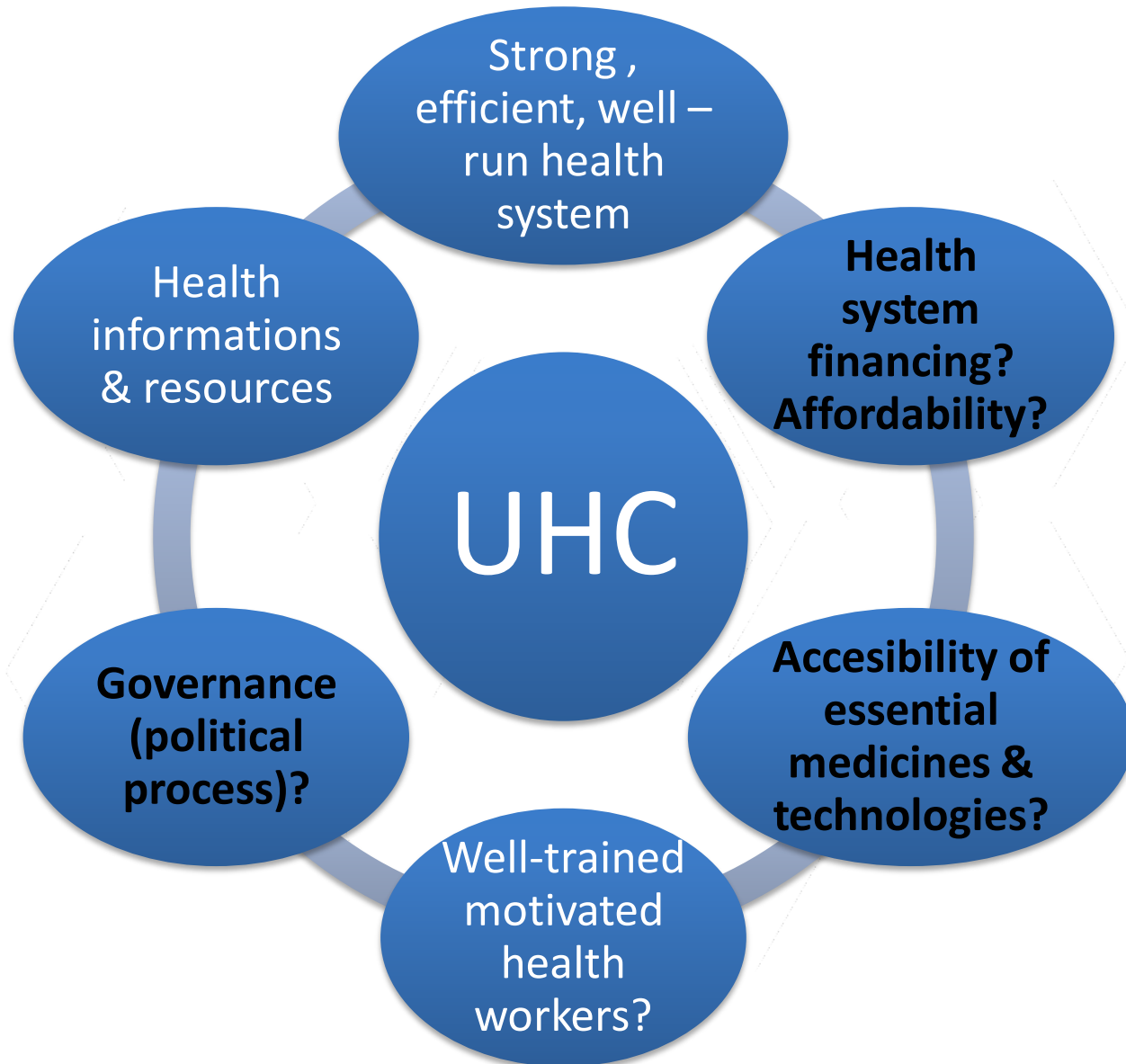
- Access to good quality needed services
  - ✓ Prevention, promotion, treatment, rehabilitation and palliative care
- Financial protection
  - ✓ No one faces financial hardship or impoverishment by paying for needed services
- Equity
  - ✓ For everyone, universality

# WHO Focus Area for UHC

- According to national priorities, **give greater priority to** surveillance, early detection, screening, diagnosis and **treatment** of non-communicable diseases and prevention and control, and to **improving the accessibility to the safe, affordable, effective and quality medicines and technologies to diagnose and to treat them;**
- **Provide sustainable access to medicines and technologies**, including through the development and use of evidence-based guidelines for the treatment of non-communicable diseases, and
- **Efficient procurement and distribution of medicines in countries;** and strengthen viable financing options and **promote the use of affordable medicines, including generics**, as well as improved access to preventive, curative, palliative and rehabilitative services, particularly at the community level

*\*Based on OECD Health System Data 2012*

# What is Needed?



# Emerging Needs

- Aging population
- Increase in chronic diseases & co-morbidities
- Higher expectations of citizens for quality service
- Increase demand of medicines as well as medical technology and services
- Increasing role of purchasing & paying institutions
- Higher focus on prevention

# Main Principles for the UC Medical Benefit

- Drugs listed in the National Essential Medicines List (NEML)



**Health Needs**

- Medicines are used in compliance to the NEML specified conditions or Clinical Practice Guideline (CPG)



**Responsible Use**

# Why Access to Medicine is Important in UHC?

- Rising cost of healthcare delivery system is a major concern
- Drug expenditures are a major factor contributing to growth in health care expenditure. (Barnieh L, *et al.* 2014)
- Financing of pharmaceuticals in universal health coverage has been a major challenge
- Many new products will be presented to the market-increase expenditure
- Medicines strongly impact individuals and populations health; use scarce household resources

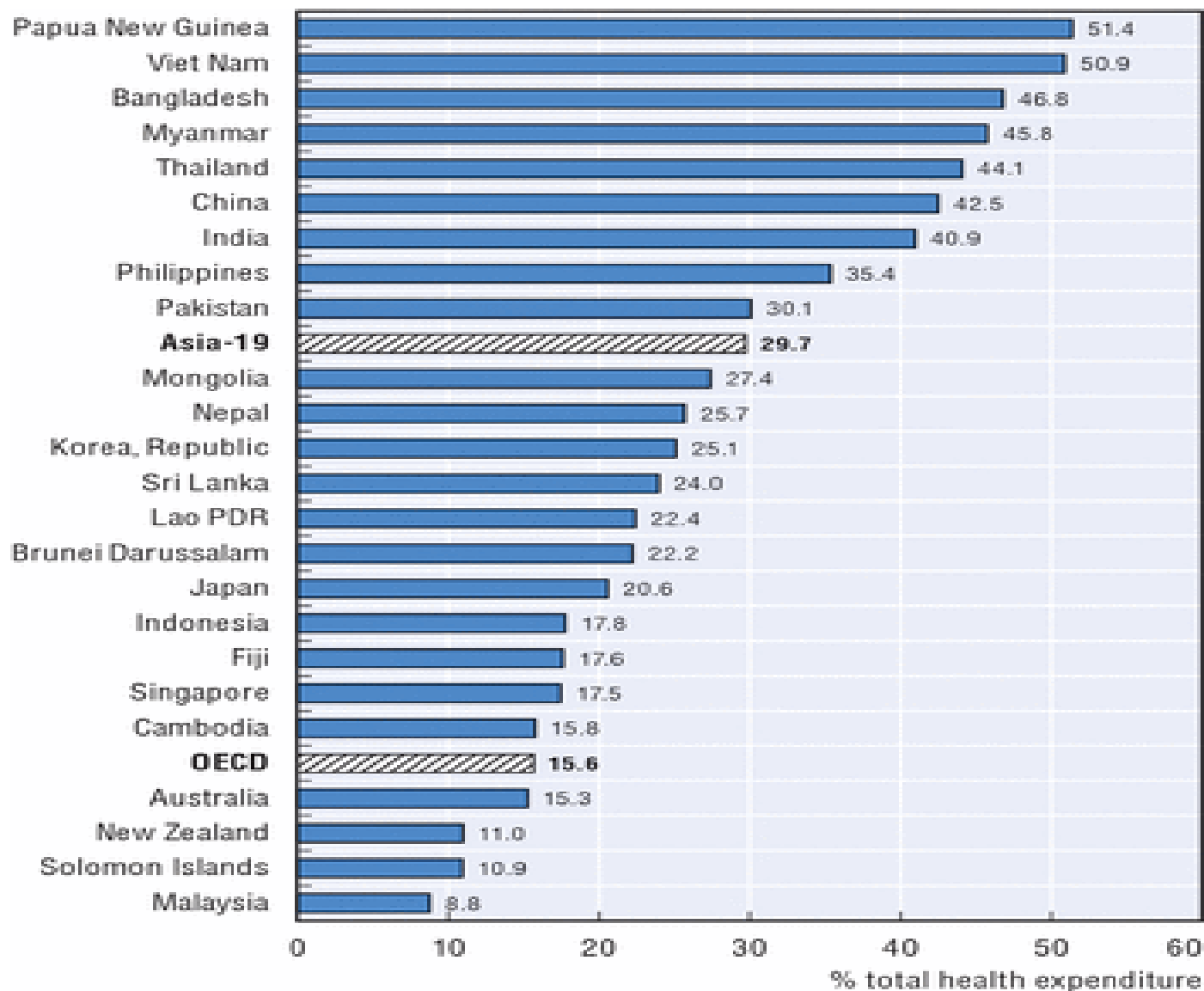


# Pharmaceutical Expenditure

- Global medicines spending has surpassed US \$1 trillion per year
- Medicines spending accounts for up to 67% of total health expenditures in some countries , mostly paid out of pocket by consumers.
- Asian countries, pharmaceutical share of total health spending range between 8% -50%

*Source :Wagner et al. BMC Health Services Research 2014 ; OECD/ WHO (2012), “Pharmaceutical expenditure” in Health at a Glance Asia Pacific 2012*

# Pharmaceutical expenditure as a share of total health expenditure , 2009 (Asia countries)



Source :OECD/WHO (2012), "Pharmaceutical expenditure", in *Health at a Glance: Asia pacific 2012*

# Major Challenges in UHC: Countries Sharing on Medicines Issues

- Battling with equity and ethical considerations for selection of medicines
- Sustainability issues on public-sector healthcare provision, drug price and Out-of-Pocket Money expenses
- How to ensure life-long treatment for chronic conditions, how to cover innovative, high-cost medicines?
- Fragmented decision-making across health, financing and other authorities, how to allocate limited resources?
- Addressing quality use of medicines, avoid wasting scarce resources
- Monitoring UHC

Issues on medicines need to be addressed, if not it will give impact to equity, access and sustainability of UHC

# Approaches to Support Strategy Towards UHC for Pharmaceuticals



# Regional Approaches to Support UHC Medicines Strategy

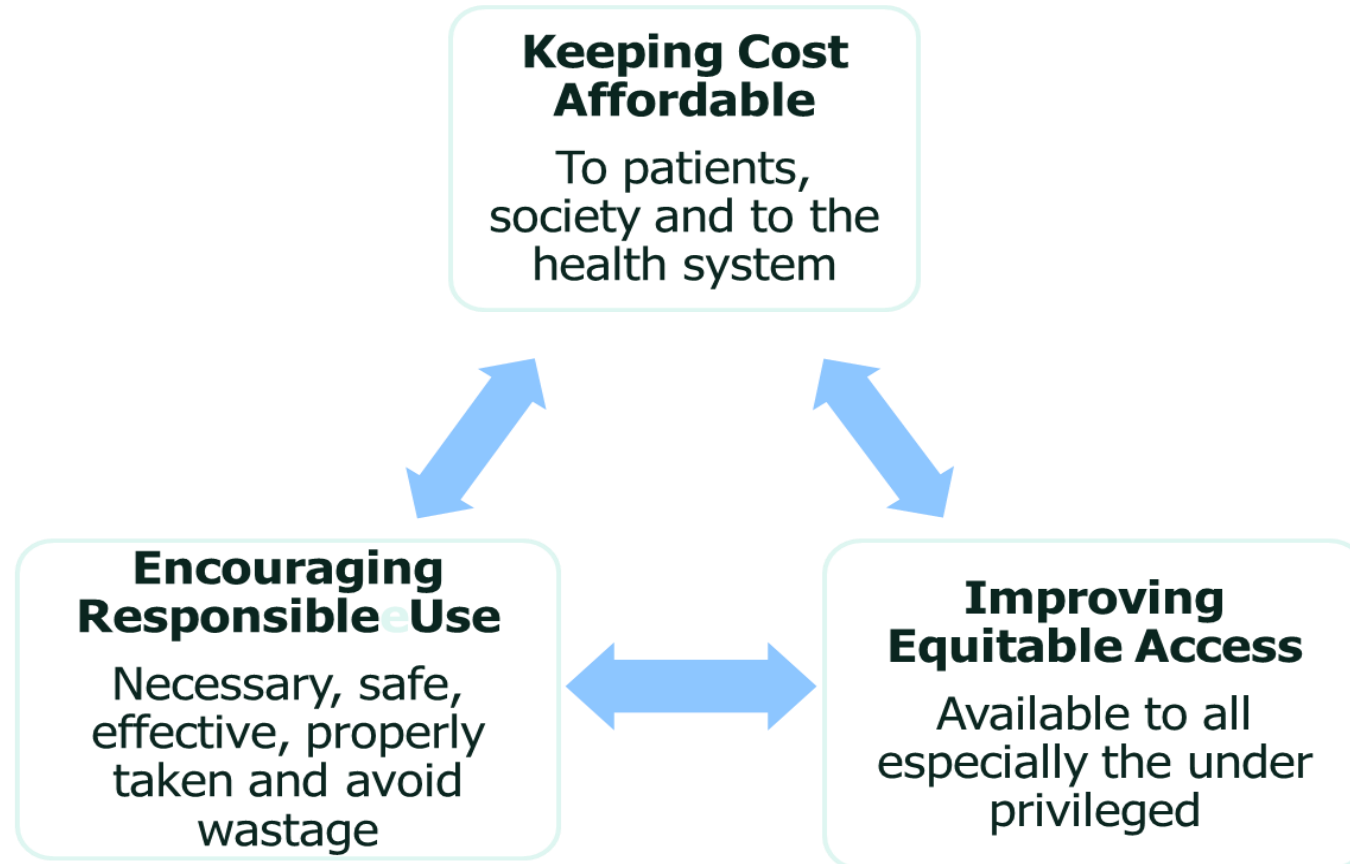
## Building up knowledge networks :

- Technical assistance and networking in rational selection and use of medicines
- Medicines management and benefit policies
- Sharing information for decision making
- Financing drug benefits
- Political and system challenges to covering medicines



# National Medicines Policy Approach

## Pharmaceutical Policy Objectives

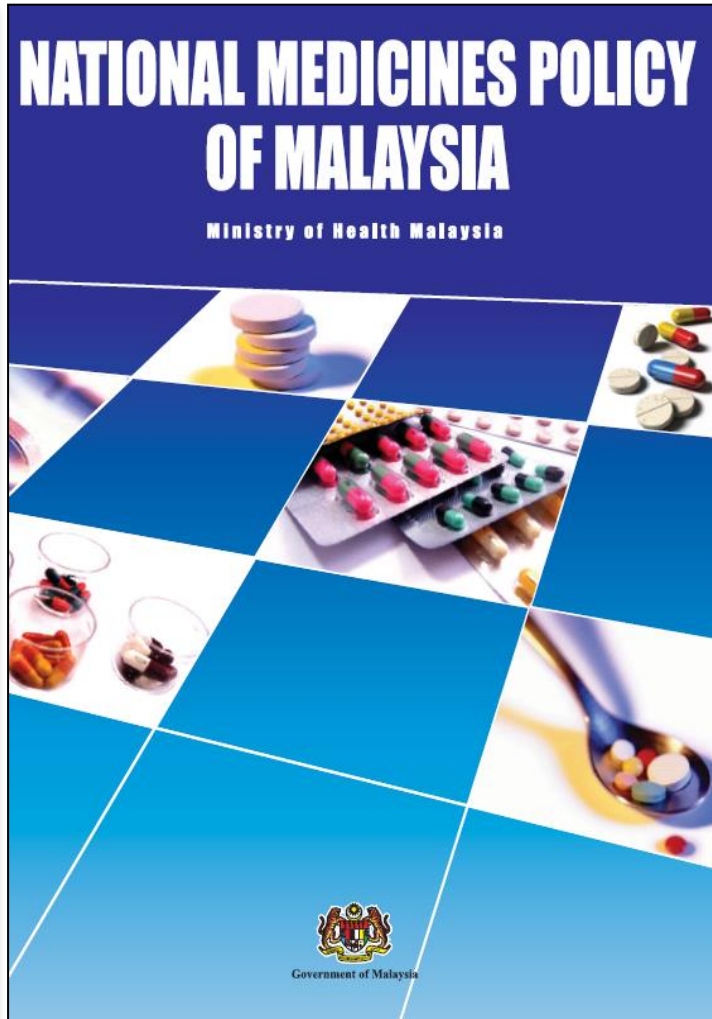


# National Medicines Policy

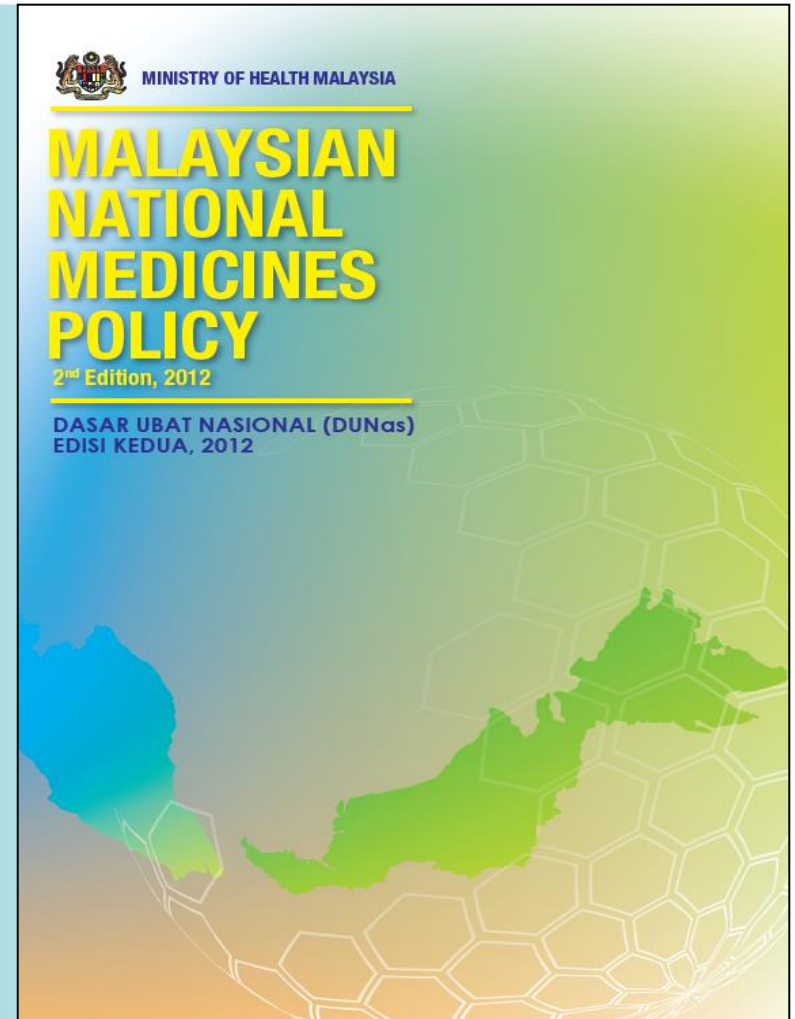
- Present a formal record values, aspirations, aims, decisions, actions medium to long-term government commitments
- Define national goals and objectives for pharmaceutical sector and set priorities
- Objectives: Accessibility, Quality and Rational Use of Medicines
- Identify strategies needed to meet set objectives, identify various player responsible for implementing
- Create forum for national discussions
- More than 100 countries have official NMP
- WHO's strategic directions for medicines 2008-2013:
  - One of new foci of NMP-  
*Reimbursement as part of social security*

# Malaysian National Medicines Policy

**MNMP 2003 – 1st Edition**



**MNMP 2012 – 2nd Edition**





# Objectives of MNMP

To improve health outcomes of Malaysians through:

Promoting equitable access to essential medicines

Ensuring availability of safe, effective and affordable medicines of good quality

Promoting quality use of medicines by healthcare providers and consumers

# *5 Components of National Medicines Policy (Revised 2012)*



## *Policy 3: Access To Medicines*

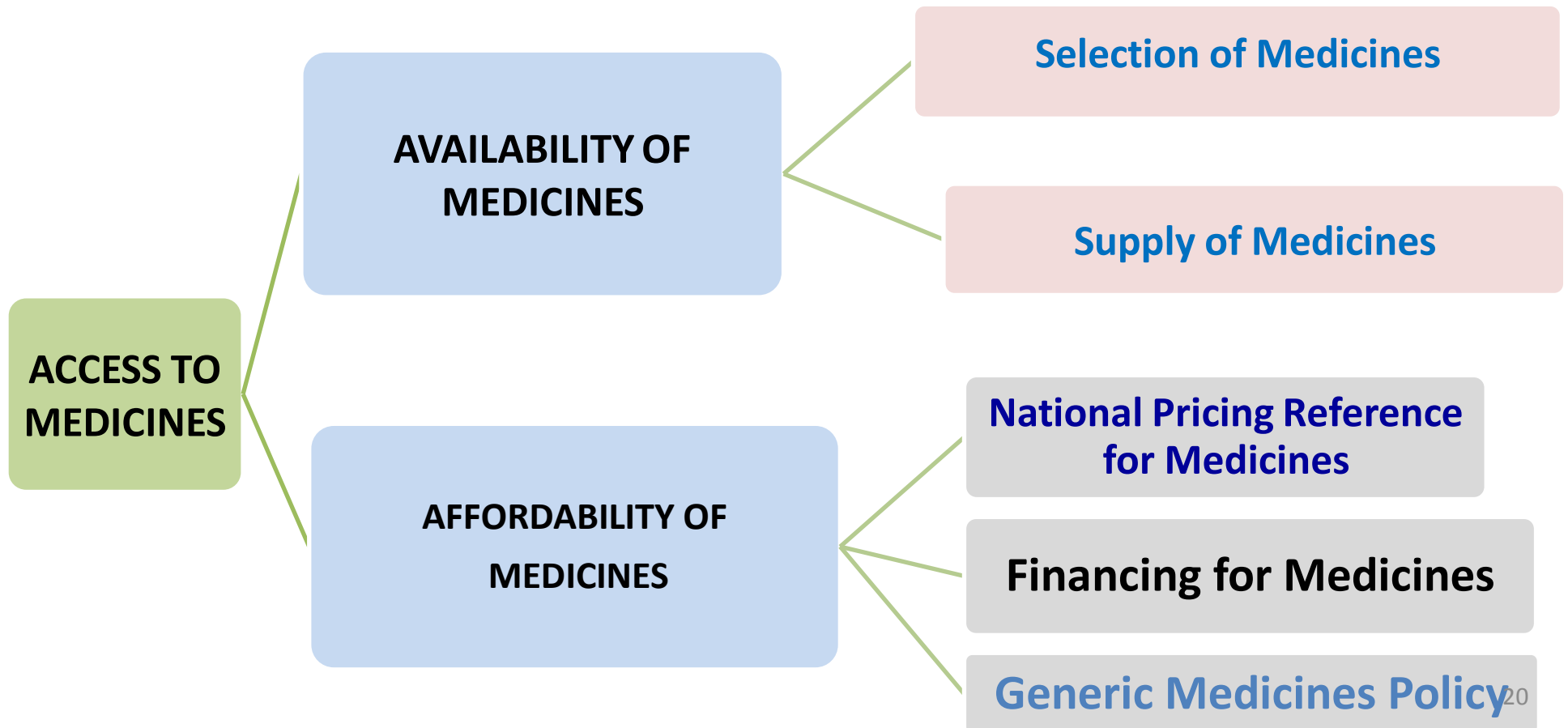
An efficient and integrated medicines management and supply network shall be maintained.

The pharmaceutical industry shall be organised and regulated to create incentives and foster competition in medicine prices.

**Appropriate financing mechanisms shall be developed to ensure essential medicines needed for quality healthcare are affordable**

# *Policy 3: Access To Medicines*

## STRATEGIES



## STRATEGIES

### National Pricing Reference for Medicines

- Transparency on Price information
- Monitoring of price information
- Tariffs and duties

### Financing for Medicines

**A reliable, affordable and sustainable financing mechanism shall be established**

### Generic Medicines Policy

# Financing Drug Benefits Approach

- **Raising Funds**
  - Assess which options are available, potentially suitable, politically feasible and sustainable
- **Financing**
  - Criteria used to evaluate financing mechanisms and selecting preferred method of finance
- **Resource Allocation**
  - Need to know how to prioritise between health system priorities, what formulas to use in allocating resources
- **Coverage decision**
  - Decide on what, when, who and how to cover?
- **Procurement:**
  - Value assessment criteria, procurement prices and costs, regulations or distribution chain
- **Support functions:**
  - Regulatory system, quality assurance, performance monitoring and assessment, provider regulations

# Way Forward

- Enhancing standards, systems and processes to support efficient and transparent decision making
- To make the best use of resources to maximize health benefits and to ensure the equity, efficiency and sustainability
- Strengthen policies and processes for selection, procuring and financing of effective quality assured medicines
- Focus on prevention strategy and monitoring of patients health outcome
- Enhancing knowledge sharing among countries

# KEY TAKE AWAYS

Universal coverage means quality of health care for all delivered in ways that protect users from financial ruin or impoverishment. It is a powerful social equalizer, contributing to social cohesion and stability. **Not cheap...but when well planned, universal coverage is affordable**

The challenge is to expand health services with constant attention to causes of waste and inefficiency that can be reduced through smart policies and wise decisions

• *WHO DG Dr. M. Chan , 2013*



# KEY TAKE AWAYS

- Achieving UHC without addressing medicines is not possible
- Decisions about medicines are political as well as technical
- Although contexts differ, medicines issues across countries are similar

# THANK YOU



## BETTER HEALTHCARE FOR BETTER FUTURE